

City of Needles

Utility Department

817 Third Street Needles, California 92363
(760) 326-5700 FAX (760) 326-6765



April 14, 2004

E-MAILED ONLY
GRAY@wapa.gov

Jean Gray
Assistant Regional Manager for Power Marketing
Desert Southwest Customer Service Region
Western Area Power Administration
P.O. Box 6457
Phoenix, Arizona 85005-6457

Re: Comments on Western's proposed Section 12 language for the prototype Amendment No. 1 for the Parker-Davis Project (Parker-Davis) Electric Service Contract Extension (Amendment)

Dear Jean:

Thank you for the opportunity to comment on Western's new proposal for Section 12 of the Parker-Davis contract extension. The City of Needles is concerned that the changes in the language from the previous proposal and the new matters that have been added raise a number of questions that we cannot answer. We need to sit down with you and go over this draft. We would hope to do so as soon as possible so that we can finish this process and present the contract extension to our City Council.

The questions we have are fairly well embodied in the letter you are receiving from Bob Lynch. Obviously, then, we need not repeat them. We have also reviewed his suggestions for possible changes to the draft language and we support those as well.

The Parker-Davis resource is absolutely vital to the City of Needles. Because of its overriding importance to our power program, we hope you will understand that we need to have a contract extension that is as free of ambiguity as possible. We appreciate all the hard work that has gone into developing this contract extension amendment and the need to get this matter resolved. We hope you will be able to schedule an informal customer meeting in the near future so that we can address our questions and move toward a solution.

Sincerely,

Robert Walker
Utilities General Manager

c: Richard Rowe, City Manager
 Mike HacsKaylo, Administrator
 Tyler Carlson, Regional Manager
 Bob Lynch